SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement"), dated as of July 13, 2009, is made and entered into by and between the LAFAYETTE REDEVELOPMENT AGENCY, a public body corporate and politic and the City of Lafayette, a municipal corporation (collectively, "Agency"), and KILLEFER FLAMMANG ARCHITECTS, INC., a California corporation ("KFA") (collectively, the "parties" and, individually, each a "party"), in light of the following recitals:

RECITALS

A. The Agency and KFA entered into a contract for architectural services on the Library and Learning Center Project (the "Project"), on March 25, 2003 (the "Original Contract").

B. Although the Original Contract anticipated the Project would be completed on January 4, 2009, as a result of various circumstances, the estimated construction completion date has been extended to November 12, 2009 ("Revised Completion Date").

C. KFA has requested compensation from the Agency for its work from January 1, 2009 to continue furnishing construction administration and support services for the Project through construction completion as generally specified in the Original Contract, and the KFA proposal dated January 29, 2009, and the KFA letter requesting additional fee dated May 29, 2009.

D. While the Agency wishes to have KFA's services through construction completion of the Project, the parties dispute the appropriate amount of KFA's compensation, and their liabilities to one another in connection therewith.

NOW, THEREFORE, in consideration of the above facts, and the promises and covenants contained below, the parties hereto agree as follows:

AGREEMENT

1. Incorporation of Recitals. The recitals set forth above, including the defined terms, are true and correct and incorporated in this Agreement as if restated in full.

2. Contract Documents to Remain in Full Force and Effect. Except as modified by this Agreement with respect to payments owed to KFA by Agency, the following documents shall remain in full force and effect: the Original Contract, as amended by KFA proposal dated January 29, 2007, and accepted by the Agency February 13, 2007; the Project plans, dated December 11, 2006; and KFA's bid documents, dated December, 2006 (collectively, the "Contract Documents").

3. Payment by Agency. In exchange for KFA's continued construction administration and support services through the construction completion of the Project in accordance with the Contract Documents and the Revised Completion Date, the Agency agrees to pay KFA

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$262,500.00, paid as follows: (1) Agency shall pay KFA $150,000.00 within five (5) days of KFA's execution of this Agreement to fully compensate KFA for its work and services on the Project from January 1, 2009 through June 30, 2009 ("First Payment"); (2) Agency shall thereafter pay KFA $25,000.00 per month to fully compensate KFA for its work and services on the Project for the months of July through October; and (3) Agency shall pay KFA $12,500.00 to fully compensate KFA for its work and services on the Project for the partial month of November (payment for June through November are collectively referred to as the "Additional Payments"). If construction extends beyond January 12, 2010, through no fault of KFA as determined by the Agency, Agency shall pay KFA additional compensation for its continued construction administration and support services through construction completion based upon actual time and material costs incurred after January 12, 2010 with no mark-up, which shall not exceed $25,000 per month. These payments are in addition to KFA's entitled compensation under the Contract Documents. Except for the First Payment which shall be paid as set forth above, all Additional Payments shall be made and documented in accordance with the payment procedures set forth in Exhibit B, Paragraph 5 the Original Contract.

4. KFA Release of Agency. Except as to the obligations created by this Agreement, KFA, its assigns and successors and all persons acting by, through, or under it, hereby forever release, acquit and discharge Agency, its officers, directors, employees, agents, representatives, assigns and all other persons acting by, through, or under it, of and from any and all claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses and causes of action of every kind, nature, and description, known or unknown, fixed or contingent, in law or in equity, for any matter which was alleged or could have been alleged by KFA arising from or related to the Project, including, without limitation, those based on the Contract Documents. KFA reserves the right in the event of litigation between the Agency and KFA or any third party and KFA related to the Project to assert any and all defenses available to it and this release shall not act as a waiver of any such defense. To assert any and all defenses shall not mean asserting any claims or cross-claims against the Agency.

5. Civil Code Section 1542. KFA acknowledges that it has been advised by its attorneys concerning, and is familiar with the provisions of California Civil Code Section 1542, which reads as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

KFA recognizes that it may have sustained claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses or causes of action in connection with the matters herein released that are presently unknown or unexpected, and that claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses or causes of action may give rise to additional claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses or causes of action in the future. KFA acknowledges that this Agreement has been made with knowledge that such additional claims, debts, costs, expenses, damages, injuries, liabilities, demands, and causes of action damages may exist, and hereby waives any and all rights it may have under Section 1542, or under any other state or federal statute or case authority of similar effect.

6. Agency Reservation of Rights. Nothing in this Agreement shall be construed as a release of any claims, debts, costs, expenses, damages, injuries, liabilities, demands, losses or causes of action that the Agency may have against KFA at this time or in the future, arising from or related to the Project, or the Contract Documents. The Agency expressly reserves the right to pursue any and all claims arising from or related to the Project, including, without limitation, those based on the Contract Documents.

7. No Admission of Liability. This Agreement is made in connection with the compromise of disputed claims. Neither this Agreement nor any action taken pursuant to it constitutes an admission by any party to another.

8. Joint Preparation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

9. Integrated Agreement. The parties represent that they have not relied on any promise, inducement, representation or other statement made in connection with this Agreement that is not expressly contained in the Agreement. This is a fully integrated Agreement, contains the entire agreement between the parties concerning the matters described herein and supersedes any and all other agreements, contracts, covenants, resolutions or other arrangements with respect to the subject matter hereof.

10. Successors. This Agreement shall be binding on, and shall inure to the benefit of, all parties to it or who are benefited by it, and their parent corporations, affiliates, employees, agents, attorneys, representatives, predecessors, successors, assigns and partners, past, present and future.

11. No Oral Modification. This Agreement cannot be altered, amended, or modified in any respect, except by a writing duly executed by the parties.

12. California Law Applies. This Agreement shall be construed under and interpreted in accordance with the laws of the State of California. Venue shall be in Contra Costa County.

13. Attorneys' Fees. If any action, at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to payment of its costs and expenses, including attorneys' fees, in addition to any other relief to which it may be entitled.

14. Advice of Attorneys. The parties acknowledge that they make this Agreement upon the advice of their respective attorneys, that they have read this Agreement, and that they have discussed it with their attorneys.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates opposite their respective signatures.

Dated: 7/1, 2009

KILLEFER FLAMMANG ARCHITECTS, INC.

By: Barbara Flammang
Printed Name: Barbara Flammang
Title: President

Dated: 7/1, 2009

KILLEFER FLAMMANG ARCHITECTS, INC.

By: _____
Printed Name: Wade Killefer
Title: VICE President

Dated: July 13, 2009

LAFAYETTE REDEVELOPMENT AGENCY and CITY OF LAFAYETTE

By: _____
Printed Name: Don Tatzin
Title: Chair/Mayor

Dated: July 13, 2009

ATTEST:

By: _____
Printed Name: Joanne Robbins
Title: Board Secretary/City Clerk